Supreme Court, U.S.
FILED

011831 JUN 11 2002

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No. 01-

IN THE

Supreme Court of the United States

DOREL JUVENILE GROUP, INC.,

Petitioner,

v.

LOUIS M. KOHUS,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

PAUL B. HUNT
Counsel of Record
DEBORAH POLLACK-MILGATE
BARNES & THORNBURG
Attorneys for Petitioner
11 South Meridian Street
Indianapolis, IN 46204
(317) 231-7453

174383

COUNSEL PRESS
(800) 274-3321 • (800) 359-6859

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QUESTIONS PRESENTED

What costs are recoverable as "[f]ees for exemplification and copies of papers" pursuant to 28 U.S.C. § 1920(4)?

Did the Court of Appeals for the Federal Circuit err in construing 28 U.S.C. § 1920(4) to preclude recovery of costs for a computer animation that was necessarily obtained for use in the case?

PARTIES TO THE PROCEEDINGS AND CORPORATE DISCLOSURE STATEMENT

The parties to the proceedings in the United States Court of Appeals for the Federal Circuit were Petitioner Dorel Juvenile Group, Inc., Cosco, Inc., Toys 'R' Us, Inc., R&R Resale, Inc., and Mr. Louis M. Kohus. Toys 'R' Us, Inc. and R&R Resale, Inc., are not being served as Respondents because they have no interest in the current proceeding.

Effective July 2, 2001, Cosco, Inc. ceased to exist as a corporate entity. The resulting organization is the Petitioner, Dorel Juvenile Group, Inc., which is a wholly-owned subsidiary of Dorel U.S.A., Inc., which is a wholly-owned subsidiary of Dorel Industries, Inc.

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Appendix A — Opinion Of The United States Court Of Appeals For The Federal Circuit Decided March 13, 2002 ..... 1a

Appendix B — Memorandum And Order Of The United States District Court For The Southern District Of Ohio, Western Division Dated And Filed April 12, 2001 ..... 17a

Petitioner Doral Juvenile Group, Inc. respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Federal Circuit (App. 1a) is reported at 282 F.3d 1355 (Fed. Cir. 2002). The memorandum opinion of the district court (App. 17a) is unreported.

STATEMENT OF JURISDICTION

The judgment of the United States Court of Appeals for the Federal Circuit was issued on March 13, 2002. This Court has jurisdiction over this case pursuant to 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

28 U.S.C. § 1920 (1994).

Fed. R. Civ. P. 54.

STATEMENT OF THE CASE

Jurisdiction was proper in the district court pursuant to 28 U.S.C. §§ 1331, 1332, 1338(a), and 1367(a). The present case concerns the costs that may be obtained by a prevailing litigant. In almost every federal court action, the prevailing party is entitled to its costs as a matter of course. Fed. R. Civ. P. 54(d). Costs may be awarded for the items enumerated in 28 U.S.C. § 1920 (1994).

This Court has held that a trial court may tax as costs only those fees explicitly set forth in § 1920. *Crawford Fitting Co. v. J.T. Gibbons, Inc.*, 482 U.S. 437, 441 (1987). The *Crawford Fitting* decision did not, however, resolve the issue of what costs are recoverable under the statute. Almost every circuit court has considered the issue of what costs may be taxed, and yet there is virtually no agreement among the circuit courts concerning the proper scope of recoverable costs. Specifically, there is no agreement concerning what fees are recoverable as "exemplification" under subsection four.

At one end of the spectrum, the Seventh Circuit defines "exemplification" according to Webster's Dictionary as "the act of illustration by example." Webster's Dictionary 406 (10th ed. 1993), *cited in Cefalu v. Village of Elk Grove*, 211 F.3d 416, 427 (7th Cir. 2000). According to the Seventh Circuit, costs for exemplification include "a wide variety of exhibits and demonstrative aids," including "the reasonable expense of preparing maps, charts, graphs, photographs, motion pictures, photostats, and kindred materials." *Cefalu*, 211 F.3d at 427 (citing *Haroco, Inc. v. AM Nat'l Bank & Trust Co.*, 38 F.3d 1429, 1441 (7th Cir. 1994); *EEOC v. Kenosha Unified Sch. Dist. No. 1*, 620 F.2d 1220, 1227 (7th Cir. 1980)). In *Cefalu*, the Seventh Circuit approved reimbursement for the cost of a multi-media presentation, subject to the trial court's determination that such was "reasonably necessary" to the presentation of the case. *Id.* at 429.

At the other end of the spectrum is the Eleventh Circuit, which has defined the term "exemplification" as "[a]n official transcript of a public record, authenticated as a true copy for use as evidence." *Arcadian Fertilizer, L.P. v. MPW Indus.*

Servs., Inc., 249 F.3d 1293, 1297 (11th Cir. 2001). This definition tracks the definition of the term "exemplification" found in Black's Law Dictionary. Black's Law Dictionary 593 (7th ed. 1999). In *Arcadian Fertilizer*, the court thus concluded that there is no statutory authority for recovery of any costs for demonstrative exhibits, whether in the form of charts, maps, computer animation, or videotape exhibits. *Arcadian Fertilizer*, 249 F.3d at 1297-98.

The present case began when Mr. Kohus claimed that the Petitioner had infringed his patent, United States Patent No. 4,688,280. The trial court granted summary judgment of non-infringement in favor of the Petitioner. The Court of Appeals for the Federal Circuit affirmed the finding of summary judgment.

Petitioner then sought to recover the costs it had incurred. Among those costs, Petitioner sought to recover $12,950 for the preparation of computer animation. The animation demonstrated the structure and function of both the patented and allegedly infringing products. The trial court awarded Petitioner the costs incurred in preparing the animation, concluding "that the exhibit was necessary and that the costs related to the exhibit, which equal $12,950, should be awarded." App. 21a.

Mr. Kohus appealed the trial court's ruling to the Court of Appeals for the Federal Circuit. The Federal Circuit, over the dissent of Judge Dyk, reversed the district court's ruling. The court's analysis was divided into two parts. First, relying on the restrictive definition of "exemplification" found in Black's Law Dictionary, the Federal Circuit concluded that Petitioner's computer animation could not qualify as an exemplification. *Id.* at 9a-10a. The court surmised that

Congress would have used the phrase "demonstrative evidence" if it had intended § 1920 to encompass costs for the preparation of exhibits. *Id.* at 10a. Thus, "the district court had no statutory authority to award costs for the video." *Id.*

In the second part of its analysis, the Court of Appeals purported to examine the law of the Sixth Circuit, the regional circuit in which the trial court sits, to determine how the Sixth Circuit would decide the issue. *Id.* As a matter of law, however, the court had already determined that the trial court had no statutory authority to award costs for the video animation.

The only Sixth Circuit decision reviewed by the Court of Appeals was *Swan Carburetor Co. v. Chrysler Corp.*, 149 F.2d 476 (6th Cir. 1945). The Court of Appeals found that the *Swan* decision "indicates that the Sixth Circuit would not permit an award of costs for the video." App. 12a. The *Swan* decision does not specifically address whether computer animation constitutes an exemplification. In *Swan*, the Sixth Circuit allowed the successful litigant to recover costs incurred in the preparation of charts and drawings, but denied costs incurred in preparing a physical model. *Swan*, 149 F.2d at 478.

As Judge Dyk correctly notes in his dissent, the *Swan* decision relies on the decision in *Appliance Investment Co. v. Western Electric Co.*, 61 F.2d 752 (2d Cir. 1932). App. 15a - 16a. In *Appliance*, the court allowed costs incurred in providing simplified drawings, reasoning that such an expense "is in the same category with that for motion pictures and photographs . . . and fairly falls within the statute." *Appliance Investment Co.*, 61 F.2d at 757. Thus, the Second Circuit generally follows a broader construction of the statute.

In addition, many lower courts in the Sixth Circuit have concluded, contrary to the Federal Circuit, that costs for such exhibits as video montages, photographs, and movies are recoverable in the Sixth Circuit. *See, e.g., Cobb v. Time, Inc.*, No. 3:94-0836, 1999 U.S. Dist. LEXIS 22992, at *5-6 (M.D. Tenn. Dec. 10, 1999) (allowing recovery of costs for preparation of video montage as "reasonable and necessary cost"); *Kaiser Indus. Corp. v. McLouth Steel Corp.*, 50 F.R.D. 5, 13 (E.D. Mich. 1970) (allowing recovery of costs for reproductions of photographs and movies).

Costs are awarded to the prevailing party in almost every federal court action. Appellate courts, like the Federal Circuit and the Eleventh Circuit, which rely on antiquated, outdated definitions, will retard the use and expansion of new technologies in the courtroom. Litigants should be encouraged, not discouraged, from developing and using new technologies in order to make complex issues easier to understand. The increased use of technology in the courtroom will ease the time and cost burdens faced by both litigants and the courts. Costs associated with the use of technology for preparation of trial exhibits must be recoverable under subsection four if "exemplification" is to have any force or effect in this technological age.

REASONS FOR GRANTING THE WRIT

In *Crawford Fitting Co. v. J.T. Gibbons, Inc.*, this Court held that, in awarding costs to the prevailing party under Federal Rule of Civil Procedure 54(d), the trial court lacks discretion to assess costs for items not explicitly listed in 28 U.S.C. § 1920. 482 U.S. 437, 441 (1987). The Court reasoned: "Title 28 U.S.C. § 1920 now embodies Congress' considered choice as to the kinds of expenses that a federal

court may tax as costs against the losing party." *Id.* at 440. Rule 54(d) permits the trial court to decline to award costs to a prevailing party altogether. Fed. R. Civ. P. 54(d). However, if the trial court does assess costs in favor of the prevailing party, the court is restricted to those costs enumerated in § 1920.

Subsection four of § 1920 allows for the taxation of "[f]ees for exemplification and copies of papers necessarily obtained for use in the case." 28 U.S.C. § 1920 (1994). The circuits have varied widely in their interpretation of this provision. Specifically, there is no agreement as to the meaning of the word "exemplification" — some circuits have adopted a broad definition of the word, others have adopted a restrictive definition of the word, and most circuits have adopted a definition that falls somewhere in the middle.

The Federal Circuit has decided this issue in a manner that conflicts with *Crawford Fitting*. The Federal Circuit correctly noted that *Crawford Fitting* requires that an award of costs be limited to those specified in § 1920. App. 8a - 9a. The court then concluded that Congress could not have intended that costs for production of such exhibits and demonstratives as charts, drawings, or models would be recoverable because the statute does not provide for costs for "demonstrative evidence." *Id.* at 9a - 10a. Contrary to its own statutory reading, the Federal Circuit then determined that costs are properly allowed under Sixth Circuit law for charts and drawings, but not for models. *Id.* The Federal Circuit reasoned that Petitioner's computer animation was more akin to a model than a drawing or chart, and concluded the trial court abused its discretion in awarding costs to Petitioner for that item. *Id.* at 11a. In so doing, the Federal Circuit has generated even greater uncertainty on this issue

— it first decided this issue as a matter of statutory analysis and then contradicted its own analysis and purported to decide the issue under Sixth Circuit law.

The question of what costs are recoverable by the prevailing party under § 1920 is an important issue of federal law. It is an issue that affects the pocketbook of almost every litigant in every federal court across the country. Yet, given the widely diverging opinions on the issue, there is no certainty concerning what will or will not qualify as a recoverable cost for "exemplification" under the statute. In an age in which litigants are increasingly turning to the latest technology as a means for clarifying complex issues to courts and juries, Petitioner respectfully submits that the parameters of subsection four should be defined.

1. This Court Should Grant Certiorari to Resolve the Dispute Among the Circuit Courts Regarding the Scope of Recoverable Costs under Section 1920(4).

Both before and after *Crawford Fitting*, there has been conflict among the circuits regarding the scope of recoverable costs under subsection four of § 1920. The Seventh Circuit has construed this provision broadly to focus on the illustrative purpose for which costs are incurred, and has not per se prohibited recovery for any costs associated with the production or presentation of a trial exhibit. *See, e.g.*, *Cefalu*, 211 F.3d at 428. In contrast, the Eleventh Circuit has concluded that exemplification is a synonym for "official transcript." *See, e.g.*, *Arcadian Fertilizer*, 249 F.3d at 1297. All of the other circuits have addressed the various items for which compensation is sought and determined on an item-by-item basis whether compensation is proper under the statute. *See* discussion *infra*.

The Seventh Circuit, in a post-*Crawford Fitting* decision, has affirmed its position that the word "exemplification" should be construed according to Webster's dictionary, which defines exemplification broadly as the act of illustration by example. *Cefalu*, 211 F.3d at 427. In *Cefalu*, the court approved the taxation of the cost of a multimedia display, concluding that there was no basis to distinguish between "the physical preparation of a trial exhibit" and "the means chosen to present that exhibit to the jury." *Id.* at 428. Instead, courts should assess the cost of illustrative materials with an eye toward the general illustrative purpose for which it was incurred, and refrain from adopting a "highly formalistic" definition of exemplification. *Id.* To do otherwise draws an arbitrary line between what is and is not permitted under the statute. *Id.* Thus, the real focus of the trial court should be, according to the Seventh Circuit, not what the materials were in a definitional sense, but whether the materials were "necessarily obtained for use in the case." *Id.* at 428-29. The court stated:

> [W]e find no limits inherent in the term 'exemplification' that would permit a court to award costs for the more familiar means of illustration — models, charts, graphs, and the like — but preclude it from compensating a party for an animated reconstruction of an accident, for example, or other types of computer-based, multimedia displays.

Id. at 428.

The Second Circuit has also construed § 1920(4) to provide for the taxation of a wide variety of costs, including, among others, " 'the reasonable expense of

preparing maps, charts, graphs, photographs, motion pictures, photostats and kindred materials.' " *In re Air Crash Disaster at John F. Kennedy Int'l Airport*, 687 F.2d 626, 631 (2d Cir. 1982) (quoting 6 James Wm. Moore et al., *Moore's Federal Practice* ¶ 54.776[6], at 1739 (2d ed.)). *In re Air Crash Disaster* relied on the earlier Second Circuit decision of *Appliance Investment Co.*, 61 F.2d at 752. The *Appliance Investment* decision is cited in the Sixth Circuit decision of *Swan Carburetor*, (*see Swan Carburetor*, 149 F.2d at 477), the decision reviewed by the Federal Circuit in the present case. The *Appliance Investment* court awarded costs for drawings of patents, finding that, "[t]his expense is in the same category with that for motion pictures and photographs." *Appliance Inv. Co.*, 61 F.2d at 756-57. The Second Circuit has also distinguished between the preparation of trial exhibits and general intellectual preparation for trial. *See Denny v. Westfield State Col.*, 880 F.2d 1465, 1472 (1st Cir. 1989) (citing approvingly this distinction).

Historically, the Ninth Circuit has distinguished between costs for charts, which are recoverable, and physical models, for which no costs are recoverable. *Reinharts, Inc. v. Caterpillar Tractor Co.*, 99 F.2d 648, 649-50 (9th Cir. 1938). Post *Crawford Fitting*, the Ninth Circuit has concluded that costs for photographic materials, along with costs for production of photographic evidence, graphic aids and other types of demonstrative evidence, are recoverable. *Maxwell v. Hapag-Lloyd Aktiengesellschaft*, 862 F.2d 767, 770 (9th Cir. 1988) (relying on cases from various other jurisdictions, including the Second, Sixth, and Tenth Circuits). In *Romero v. City of Pomona*, the Ninth Circuit held that costs were not recoverable to reimburse a party for its expert witness fees. The Ninth Circuit stated, "While we

have never considered the issue, some other circuits have limited recovery under § 1920(4) to the actual costs of physically producing the exhibits." *Romero v. City of Pomona*, 883 F.2d 1418, 1427 (9th Cir. 1989). The Ninth Circuit then discussed the varying positions of the circuit courts. *Id.* The Ninth Circuit expressly rejected the position adopted by the Second Circuit in *In re Air Crash Disaster*: "We must part company with our sister circuit on this issue because we believe it has read § 1920 too broadly." *Romero*, 883 F.2d at 1428. The Ninth Circuit concluded, "Section 1920(4) speaks narrowly of '[f]ees for exemplification and copies of papers,' suggesting that fees are permitted only for the physical preparation and duplication of documents, not the intellectual effort involved in their production." *Id.* Although the *Romero* court denied the recovery of costs for the intellectual efforts of expert witnesses, it endorsed the view that costs may be taxed for the "preparation" of documents. *Id.*

The Tenth Circuit has historically emphasized the trial court's discretion in determining whether an exhibit is "necessarily obtained for use in the case" rather than sought to analyze the physical nature of the particular item for which recovery is sought. *See Mikel v. Kerr*, 499 F.2d 1178, 1182-83 (10th Cir. 1974). The Tenth Circuit has continued to follow this approach even after *Crawford Fitting*. *See Tilton v. Capital Cities/ABC, Inc.*, 115 F.3d 1471, 1476 (10th Cir. 1997). In *Tilton*, the Tenth Circuit failed even to acknowledge the existence of this Court's *Crawford Fitting* decision. Instead, the Tenth Circuit relied on *Farmer v. Arabian American Oil Co.*, 379 U.S. 227 (1964). Rather than follow the restrictive teachings of *Crawford Fitting*, the Tenth Circuit held, "in accordance with *Farmer*, we reject a bright-line rule and instead examine whether the circumstances in

a particular case justify an award of costs for trial exhibits." *Tilton*, 115 F.3d at 1476. Similarly, in another post-*Crawford Fitting* decision, the Tenth Circuit held that the trial court "could have used its discretion" to award costs if the issues in the case were complex. *U.S. Indus., Inc. v. Touche Ross & Co.*, 854 F.2d 1223, 1248 (10th Cir. 1998). Thus, the Tenth Circuit has simply ignored this Court's decision in *Crawford Fitting* and continues to give trial courts discretion to tax costs for expenses not specifically enumerated in § 1920.

Like the Tenth Circuit, the Fifth Circuit has historically focused largely on whether or not a cost was necessarily incurred. *See Studiengesellschaft Kohle mbH v. Eastman Kodak Co.*, 713 F.2d 128, 132-33 (5th Cir. 1983). The Fifth Circuit has also adopted the unique rule that costs for such items as charts, models, and photographs — because these items are not, according to the Fifth Circuit, statutorily authorized — must be applied for and approved by the trial court in advance of trial. *Id.* (citing *Johns-Manville Corp. v. Cement Asbestos Prods. Co.*, 428 F.2d 1381, 1385 (5th Cir. 1970)). One district court in the Fifth Circuit has surmised that, post *Crawford Fitting*, no costs may be recovered for the preparation of demonstrative evidence, regardless of whether or not prior permission of the court is sought. *Id.* at 1063. Instead, costs are recoverable under subsection four only for "copies of exemplification and documentary evidence necessary for use in the case." *Goodwall Constr. Co. v. Beers Constr. Co.*, 824 F. Supp. 1044, 1064-65 (N.D. Ga. 1992).

Finally, the Eleventh Circuit has adopted the Black's Law Dictionary definition of "exemplification," concluding that no costs may be awarded for physical exhibits, models, or charts, and certainly not for computer animation. *Arcadian*

Fertilizer, 249 F.3d at 1297. "[W]e conclude that the term 'exemplification' imports the legal meaning of '[a]n official transcript of a public record, authenticated as a true copy for use as evidence.' " *Id.*

Crawford Fitting has had, for the most part, little effect on the rulings of the various circuits on the issue of costs under § 1920(4). The Seventh Circuit, Second Circuit, and Ninth Circuit have all adopted expansive definitions of the term "exemplification." The Eleventh Circuit and, in the present case, the Federal Circuit, have adopted antiquated, overly restrictive definitions of the term. The Tenth Circuit, ignoring *Crawford Fitting* altogether, continues to give trial courts substantial discretion in determining which items may be taxed as costs.

Cases from the Sixth Circuit demonstrate that the Sixth Circuit has followed neither the most permissive nor the most restrictive rule regarding costs under subsection four. The Sixth Circuit, in *Swan Carburetor Co. v. Chrysler Corp.*, distinguished between charts and drawings, on the one hand, and models on the other. 149 F.2d 476, 478 (6th Cir. 1945). In *Swan*, the Sixth Circuit allowed for the taxation of costs incurred in preparing charts and drawings, but denied recovery of costs for the production of a physical model. *Id.* The Sixth Circuit reasoned that although models provide assistance to the court, they are "essentially explanatory and argumentative." *Id.* Trial courts within the Sixth Circuit have not drawn this distinction. Those courts have allowed costs for a range of items, from video montages and movies, to diagrams, photographs, and maps. *See Cobb*, No. 3:94-0836, 1999 U.S. Dist. LEXIS 22992, at *5-6; *Deaton v. Dreis & Krump Mfg. Co.*, 134 F.R.D. 219, 224 (N.D. Ohio 1991); *Kaiser Indus. Corp.*, 50 F.R.D. at 13; *Stachon v. Hoxie*, 190 F. Supp. 185, 188 (W.D. Mich. 1960).

Thus, the Sixth Circuit, far from following the restrictive definition adopted by the Federal Circuit, has, in line with the majority of circuits, allowed costs to be recovered for a variety of items. As noted in the dissent by Judge Dyk, the Federal Circuit completely ignored the cases upon which the *Swan Carburetor* decision was based. App. 14a (Dyk, J., dissenting). Among those decisions, *Appliance Investment* specifically allowed for the recovery of costs incurred in producing motion pictures. *Id.* at 15a - 16a (Dyk, J., dissenting). In disposing of *Swan*, the Federal Circuit simply notes that "the video exhibit is no different than the physical models at issue in *Swan*." *Id.* at 11a. The Federal Circuit also fails to reconcile its own interpretation of the term "exemplification" with the holding in *Swan Carburetor*, first concluding as a matter of law that no costs are recoverable for anything but official transcripts and copies, and then abandoning that definition for one that arbitrarily distinguishes between charts and graphs and models.

2. This Court Should Grant Certiorari Because the Federal Circuit Has Decided an Important Issue of Federal Law in a Way that Conflicts with the Rulings of this Court.

The Federal Circuit has decided an important rule of federal law that should be addressed by this Court. In this case, the Federal Circuit adopted the view that "exemplification" means nothing more than an official transcript, and that Congress could not have intended for costs to be recoverable for "documentary evidence." App. 9a - 10a. The Federal Circuit thus adopted the most restrictive definition available to it, and one unsupported by the vast majority of the other circuit courts. The court then concluded,

however, relying on Sixth Circuit law, that costs are nevertheless permissible under the statute for charts and drawings, but not for video animation. *Id.* at 11a - 12a.

The Federal Circuit's decision is contrary to *Crawford Fitting*. *Crawford Fitting* establishes the principle that only the costs enumerated in § 1920 are recoverable under the statute. To apply § 1920 according to the *Crawford Fitting* principle, it is therefore necessary to understand the meaning of "exemplification." However, the Federal Circuit defined exemplification narrowly, and then went beyond the scope of its definition. This decision is contrary to this Court's ruling in *Crawford Fitting*.[1]

The ambiguity of the language in § 1920 has resulted in varied application of the statute This variance is contrary to the congressional intent to standardize the assessment of costs in federal courts. *Marek v. Chesny*, 473 U.S. 1, 14, 16-17 (1985) ("Congress has consistently 'sought to standardize the treatment of costs in federal courts, to make them uniform — make the law explicit and definite.' "); *see also Mississippi Band of Choctaw Indians v. Holyfield*, 490 U.S. 30, 43 (1989) ("[F]ederal statutes are generally

1. Petitioner submits that this definition is also contrary to Sixth Circuit precedent, for the reasons cited in the dissent in *Kohus*, App. 14a - 16a (Dyk, C.J., dissenting), and for the reason that, as discussed *supra*, many lower courts in the Sixth Circuit have uniformly understood the Sixth Circuit to construe the statute more broadly, to encompass such items as video montages and movies. In addition, it should be noted that computer animation is literally composed of drawings, for which, according to the Sixth Circuit, costs may be recovered. *See also* Galves, *infra* at 180 ("Animations are simply computer-generated drawings assembled frame by frame which, when viewed sequentially, produce the image of motion.").

intended to have uniform nationwide application."). The assessment of costs will not be standard in federal courts, and there will be no uniform federal law on this issue, until this Court provides guidance on what is encompassed within the term "exemplification" under § 1920.

The widespread conflict among the circuits is further exacerbated by the fact that circuit courts are often required to apply the law of other circuit courts. In patent cases, like the present case, all appeals are taken to the Court of Appeals for the Federal Circuit. In such cases, the Federal Circuit is bound to apply the law of the regional circuit court in reviewing procedural issues not pertaining to patent law. *Electro Scientific Indus., Inc. v. Gen. Scanning, Inc.*, 247 F.3d 1341, 1349 (Fed. Cir. 2001). However, in the present case, the Federal Circuit has held that it is error for a trial court to award costs for exhibits that do not meet the strict definition of the term "exemplification." App. 8a - 9a.

The question thus becomes whether the Federal Circuit will apply the law of the regional circuit from which the appeal comes, and it is admittedly bound to do, or disregard its own ruling that "exemplification" means "official transcript." In this case, the Federal Circuit disregarded both its own definition of exemplification as well as the Sixth Circuit's interpretation of the statute. Petitioner submits that patent litigants from the Seventh Circuit, for example, which has adopted an expansive definition of "exemplification," have reason to doubt that the Federal Circuit will faithfully apply Seventh Circuit law. After all, the Federal Circuit concluded, as a matter of law, that it was "bound not to exceed the limits of th[e] statute." App. 10a. As an afterthought, it sought to reconcile its conclusion with the precedent from the Sixth Circuit.

This issue is made more pressing by the increased prevalence of technology in the courtroom. The use of technology — in the form of animation, computers, jury monitors, etc. — is routine. The increased use of technology in the courtroom has led to much speculation regarding the future challenges to litigants, courts, and jurors. For example, litigants are increasingly confronted with computer evidence, which often does not come in the tangible form contemplated by the discovery rules, and of which, technically speaking, no paper copies may be made. *See* Mark D. Robins, *Computers and the Discovery of Evidence — A New Dimension to Civil Procedure*, 17 J. Marshall J. Computer & Info. L. 411 (1999). Others have speculated that eventually the trial itself will be conducted "virtually." *See* Fredric I. Lederer, *Trial Advocacy: The Road to the Virtual Courtroom? A Consideration of Today's — and Tomorrow's — High-Technology Courtrooms*, 50 S.C. L. Rev. 799 (1999). In the event that trials become "paperless," reading "exemplification" as an official transcript — which is a paper copy — will render the statute wholly inapplicable in the modern courtroom. The use of technology already presents unique challenges to the interpretation of the Federal Rules of Evidence. *See* Fred Galves, *Where the Not-So-Wild Things Are: Computers in the Courtroom, the Federal Rules of Evidence, and the Need for Institutional Reform and More Judicial Acceptance*, 13 Harv. J. L. & Tech. 161 (2000) (promoting the benefits of computer-generated exhibits).

As one author has noted, the benefit of this technology often flows directly to the juror, who must understand the factual issues of the case and then attempt to resolve the factual disputes. *Id.* at 168-69 (opining that computer-generated exhibits "are not solely being introduced to add 'sparkle' to cases or 'entertain' or even 'dazzle' easily-bored

jurors, as much as they are simply necessary to explain the complexities of the case"). In the context of the patent case, the complexity of the issues that jurors must confront necessitates the use of such exhibits as the one Petitioner created. There was no embodiment of the claimed invention, and, thus, no coherent method of comparing the alleged infringing device with the patent claim. In addition, patent cases frequently involve issues of new and developing technologies, and litigants must utilize these technologies to explain these increasingly complex issues. At the very least, litigants in patent cases need to have an understanding of what technologies they may use, and recover as costs, and know that the statute will be enforced uniformly by the Federal Circuit. Obviously, litigants in non-patent cases would also benefit greatly from advice from this Court's determination of the meaning of the language of the statute.

Petitioner respectfully submits that § 1920 should be construed to allow recovery for trial exhibits, in whatever form, if such exhibits are necessarily obtained for use at trial for purposes of "exemplification." As technology turns away from the use of "papers" by litigants, the statute should be construed in a manner consistent with the broad intent of the statute, which is to allow recovery by prevailing parties for costs necessarily incurred in litigating a comprehensible and convincing case. *See Lynch v. Overholser*, 369 U.S. 705, 710 (1962) ("The decisions of this Court have repeatedly warned against the dangers of an approach to statutory construction which confines itself to the bare words of a statute . . . for 'literalness may strangle meaning.' "). At some point, if the rule is understood to allow costs only for official transcripts and paper copies, the exceptions to the statute will swallow the rule. There will be no paper copies and,

thus, there will be no recovery for various items that are still "necessarily obtained for use in the case," albeit in different forms.

CONCLUSION

There is no agreement among the circuits concerning what is recoverable under 28 U.S.C. § 1920 under the rubric of "fees for exemplification." The confusion on this issue is intensified by the Federal Circuit's opinion, which concludes that, as a matter of law, there is no authority in the statute for allowing recovery of costs for animation. This decision is contrary to the law of the Sixth Circuit and an anachronism in this technological age. Certiorari should be granted to resolve the split among the circuits and this important question of law. The trial court should be affirmed.

Respectfully submitted,

PAUL B. HUNT
Counsel of Record
DEBORAH POLLACK-MILGATE
BARNES & THORNBURG
Attorneys for Petitioner
11 South Meridian Street
Indianapolis, IN 46204
(317) 231-7453

APPENDIX

APPENDIX A — OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DECIDED MARCH 13, 2002

01-1358

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

LOUIS M. KOHUS,

Plaintiff-Appellant,

v.

COSCO, INC., TOYS "R" US, INC. (doing business as Toys "R" Us and Babies "R" Us), R&R RESALE, INC. (doing business as Once Upon a Child), and THE WILLIAM CARTER COMPANY,

Defendants-Appellees.

DECIDED: March 13, 2002

Before MAYER, *Chief Judge*, DYK and PROST, Circuit Judges.

Opinion for the court filed by *Circuit Judge* PROST. Dissenting opinion filed by *Circuit Judge* DYK.

Appendix A

PROST, *Circuit Judge.*

Louis M. Kohus ("Kohus") sued Cosco, Inc., Toys "R" Us, Inc. and R&R Resale, Inc. (collectively "defendants") in the Southern District of Ohio for patent infringement and unjust enrichment.[1] After the district court granted summary judgment of noninfringement and we affirmed without opinion, *see Kohus v. Cosco, Inc.*, 250 F.3d 758 (Fed. Cir. 2000) (per curiam), the defendants sought to recover their costs from Kohus. The district court awarded defendants $975.90 for costs related to two depositions and $12,950.00 for a video exhibit. Kohus appeals the award of costs for the video exhibit. Because the district court erred by making this award, we reverse.

BACKGROUND

Kohus is the owner and named inventor of U.S. Patent No. 4,688,280 ("the '280 patent") entitled "Foldable Playpen Assembly With Ease of Portability." The patent generally concerns a portable playpen with a foldable frame. On October 28, 1997, Kohus sued Cosco, Inc. for patent infringement and unjust enrichment, adding Toys "R" Us, Inc. and R&R Resale, Inc. as defendants on June 24, 1998. Kohus alleged that defendant Cosco, Inc. manufactured and sold a line of infant "Zip 'N Go" playyards that infringed the '280 patent. The other defendants sold these playyards.

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1. Cosco, Inc. ceased to exist as of July 2, 2001, when it combined with another company to form Dorel Juvenile Group, Inc. Kohus also sued The William Carter Company and fifty John Doe defendants who are not parties to this appeal.

Appendix A

On May 4, 1999, the defendants filed a motion for summary judgment of noninfringement. The motion relied on the report of an engineering expert which referred to and included a "video model comprising the structure, function and operation of the device disclosed in the '280 patent and the Cosco Zip 'N Go." Defendants characterize this exhibit as an "animated video demonstrating the various features and limitation [sic] of the patent in suit as compared with the accused devices," created out of necessity because Kohus never reduced to practice an embodiment of the '280 patent. Kohus filed an opposition to the motion for summary judgment on June 22, 1999, disputing the accuracy of the video's depiction of the '280 playpen and the accused playyards.

On August 17, 1999, the district court granted defendants' motion for summary judgment of non-infringement. *Kohus v. Cosco, Inc.*, No. C-1-97-968 (S.D. Ohio Aug. 17, 1999). In its Memorandum and Order, the district court construed the claim term "frame member" in accordance with defendants' proposed construction and, based on the parties' undisputed description of the accused playyards, the court concluded that the playyards could not satisfy that element of claim 1, either literally or under the doctrine of equivalents. Kohus appealed the district court's summary judgment of noninfringement, which a panel of this court affirmed on June 15, 2000. *Kohus v. Cosco, Inc.*, 250 F.3d 758 (Fed. Cir. 2000) (per curiam).

Defendants then filed a bill of costs on June 29, 2000, seeking $7,194.59 in court reporter fees for deposition transcripts; $2,781.25 for exemplification and copies of

papers; and $14,155.78 for exhibits.[2] On February 7, 2001, the Clerk of the Court issued a Clerk's Memorandum On Costs, awarding defendants $6,479.44 for court reporter fees but disallowing the remaining costs because she could not determine whether they were necessary to the disposition of the case. Both Kohus and defendants moved for review of the Clerk's Memorandum.[3]

On April 12, 2001, the district court issued a Memorandum and Order reducing the award for deposition costs to $975.90 and awarding $12,950.00 for the video exhibit. *Kohus v. Cosco, Inc.*, No. C-1-97-968 (S.D. Ohio Apr. 12, 2001). As an initial matter, the district court rejected Kohus' argument that fees were inappropriate because the case was close and difficult, explaining that "[t]he Court granted Defendants' motion for summary judgment on the first basis asserted by Defendants, the construction of the claim language. The Court was not required to examine the evidence. . . . The disposition was easily achieved by the Court, [sic] Defendants are entitled to recover costs to the extent they are otherwise appropriate." *Id.* at p. 3.

With respect to the award of $12,950.00, the court noted that "necessity is the essential criterion" for determining whether defendants are entitled to their costs for copying

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2. According to an affidavit executed by defendants' counsel, defendants' request for $14,155.78 was comprised of $12,950.00 for the video exhibit, $553.70 for drawings, $88.23 for photographs, and $563.85 for photocopies of exhibits.

3. Defendants' motion did not seek review of the Clerk's denial of costs for the drawings, photographs and photocopies of exhibits.

and exhibits, and that defendants "have attempted to demonstrate necessity only with respect to a video exhibit depicting the accused device." *Id.* at p. 5. The court then stated:

> Defendants relied upon that exhibit in making their motion for summary judgment, and the Court would have considered it in ruling on the motion for summary judgment had it not disposed of this action on the basis of claim language construction. The Court concludes that the exhibit was necessary and that the costs related to the exhibit, which equal $12,950.00, should be awarded.

Id. Kohus appeals the award of $12,950.00 for the video exhibit. We have jurisdiction pursuant to 28 U.S.C. § 1295(a)(1).

DISCUSSION

We apply the law of the regional circuit in reviewing purely procedural issues not pertaining to patent law. *See, e.g., Electro Scientific Indus., Inc. v. Gen. Scanning Inc.*, 247 F.3d 1341, 1349, 58 USPQ2d 1498, 1503 (Fed. Cir. 2001). Pursuant to Sixth Circuit precedent, we review a costs award for an abuse of discretion. *White & White v. Am. Hosp. Supply Corp.*, 786 F.2d 728, 730 (6th Cir. 1985); *Manildra Milling Corp. v. Ogilvie Mills, Inc.*, 76 F.3d 1178, 1184, 37 USPQ2d 1707, 1712 (Fed. Cir. 1996). We review *de novo* issues of statutory interpretation. *Walker v. Bain*, 257 F.3d 660, 666 (6th Cir. 2001).

Appendix A

A district court's authority to award costs derives from Federal Rule of Civil Procedure 54(d), which states: "Except when express provision therefor is made either in a statute of the United States or in these rules, costs other than attorneys' fees shall be allowed as of course to the prevailing party unless the court otherwise directs. . . ." Rule 54(d) creates "a presumption in favor of awarding costs, but allows denial of costs at the discretion of the trial court." *White & White*, 786 F.2d at 729.

"Costs" are defined by statute as follows:

> A judge or clerk of any court of the United States may tax as costs the following: (1) Fees of the clerk and marshal; (2) Fees of the court reporter for all or any part of the stenographic transcript necessarily obtained for use in the case; (3) Fees and disbursements for printing and witnesses; (4) Fees for exemplification and copies of papers necessarily obtained for use in the case; (5) Docket fees under section 1923 of this title; (6) Compensation of court appointed experts, compensation of interpreters, and salaries, fees, expenses, and costs of special interpretation services under section 1828 of this title.

28 U.S.C. § 1920 (1994). Section 1920 does not explicitly authorize an award of costs for an animated video exhibit. However, subsection (4) above allows a district court to award costs for exemplification and copies of papers necessarily obtained for use in the case. The parties dispute

whether a video animation is encompassed by subsection (4), an issue that the Sixth Circuit has not yet addressed.[4]

Kohus argues that absent any authority for awarding costs for the video, the district court abused its discretion by making the award. Relying on *Crawford Fitting Co. v. J.T. Gibbons, Inc.*, 482 U.S. 437 (1987), Kohus contends that a district court cannot award costs beyond those specified by section 1920. Kohus urges us to follow the Eleventh Circuit's decision in *Arcadian Fertilizer, L.P. v. MPW Industrial Services, Inc.*, denying costs for a computer animation based on the *Crawford Fitting* case and the Black's Law Dictionary definition of exemplification as "an official transcript of a public record, authenticated as a true copy for use as evidence." 249 F.3d 1293 (11th Cir. 2001); *Black's Law Dictionary* 593 (7th ed. 1999). Kohus also relies on *Swan Carburetor Co. v. Chrysler Corp.*, wherein the Sixth Circuit awarded costs for charts and drawings, but not for physical models. 149 F.2d 476 (6th Cir. 1945). Kohus equates the physical models in *Swan* to the video exhibit in this case, characterizing the exhibit as a video model. Finally, Kohus contends that even if costs could be awarded for video models, the video in this case was not "necessarily obtained for use in the case" because the same information could have been conveyed through the patent's figures, samples of the accused playyards, and expert testimony.

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4. When a circuit has not addressed an issue, we must "determine how that circuit would likely resolve the issue; the precedent of other circuits is instructive in that consideration." *In re Indep. Serv. Orgs. Antitrust Litig.*, 203 F.3d 1322, 1328, 53 USPQ2d 1852, 1857 (Fed. Cir. 2000).

In response, the defendants argue that exemplification should be broadly construed to effectively include all kinds of demonstrative evidence, in accordance with the Seventh Circuit's expansive application of section 1920. *See, e.g.*, *EEOC v. Kenosha Unified Sch. Dist. No. 1*, 620 F.2d 1220, 1227 (7th Cir. 1980) (awarding costs for a statistical analysis); *Cefalu v. Vill. of Elk Grove*, 211 F.3d 416, 427 (7th Cir. 2000) (awarding costs for audio-visual equipment used to display evidence to the jury, based in part on the Webster's Dictionary definition of exemplification as the act of illustration by example). Defendants also argue that absent any authority prohibiting an award of costs, the district court could not have abused its discretion. Finally, defendants contend that the video was necessary to the case because it was the only way to explain the operation of the playpen described by the '280 patent, given that Kohus never built an embodiment described by the patent.[5]

I

Section 1920 "embodies Congress' considered choice as to the kinds of expenses that a federal court may tax as costs against the losing party." *Crawford Fitting*, 482 U.S. at 440.

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5. We do not need to reach the issue of necessity in this case. However, we note the statement in *Radol v. Thomas* that the district court "disallows costs for anything under this category [section 1920(4)] except for documents which were *used and admitted into evidence*." 113 F.R.D. 172, 175 (S.D. Ohio 1986) (emphasis added). The Seventh Circuit cases relied on by defendants dealt with a statistical analysis and equipment actually used at trial — unlike the video in this case, which was not considered by the court in reaching summary judgment.

Appendix A

In *Crawford Fitting*, the Court addressed the particular issue of whether a district court could award expert witness fees under 28 U.S.C. § 1920(3) in excess of those specified by 28 U.S.C. § 1821(b).[6] The Court concluded that while Rule 54(d) and section 1920(3) gave the district court discretion to award expert witness fees, section 1821 limited the *amount* that could be awarded. *Id.* at 441 "[W]hen Congress meant to set a limit on fees, it knew how to do so. . . . The discretion granted by Rule 54(d) is not a power to evade this specific congressional command. Rather, *it is* solely a power to decline to tax, as costs, the items enumerated in § 1920." *Id.* at 442. The Court held that "absent explicit statutory or contractual authorization for the taxation of the expenses of a litigant's witness as costs, federal courts are bound by the limitations set out in 28 U.S.C. § 1821 and § 1920." *Id.* at 445. Thus, the Court found that the trial judge did not have the discretion to award expert witness fees, such as the expert's hourly rate, beyond those specified by section 1821.

In accordance with *Crawford Fitting,* the district court in this case was limited to awarding those costs specified by 28 U.S.C. § 1920. The only provision of section 1920 that could arguably apply to defendants' video exhibit is subsection (4) regarding "exemplification and copies of papers." A video obviously is not a copy of paper. Nor is it an exemplification when that term is given its legal definition of "[a]n official transcript of a public record, authenticated as a true copy for use as evidence." *Black's Law Dictionary*

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6. Section 1821 currently permits a $40 per day witness fee for attendance at trial, plus certain travel and subsistence fees.

593 (7th ed. 1999). We reject defendants' contention that "exemplification" should be construed broadly to encompass the video exhibit in this case. No Sixth Circuit precedent supports such an expansive interpretation of the term. In addition, Congress did not use the broad phrase "demonstrative evidence" in section 1920, and we are clearly bound not to exceed the limits of this statute. *See Crawford Fitting*, 482 U.S. at 445. Thus, because the video exhibit in this case is not an exemplification, the district court had no statutory authority to award costs for the video. The district court erred by taxing the cost of the video to Kohus.

II

While the Sixth Circuit has not had occasion to consider whether a video model or animation constitutes an exemplification under section 1920, that court has considered drawings, charts and physical models, all of which share the common purpose of being demonstrative evidence. *See Swan Carburetor Co. v. Chrysler Corp.*, 149 F.2d 476 (6th Cir. 1945).

In *Swan*, the district court awarded costs for drawings, charts and physical models. The Sixth Circuit affirmed the award with respect to drawings and charts because "[c]osts have been allowed in patent cases for the preparation of drawings and charts . . . upon the theory that these costs are analogous to those covered by the statute." *Id.* at 477.[7]

7. In this case, the court is referring to 28 U.S.C. § 830, not section 1920. Section 830, a predecessor to section 1920, provided for "lawful fees for exemplifications and copies of papers necessarily obtained for use on trials in cases where by law costs are recoverable in favor of the prevailing party." *Swan*, 149 F.2d at 477.

Relying on cases from the Second and Ninth Circuits, the Sixth Circuit held "that the allowance of the cost of the charts and drawings was not improper." *Id.* With respect to the models, the district court reasoned that these should not be treated any differently than the charts and drawings. The Sixth Circuit disagreed, however, stating that it was error "to allow costs to be taxed for the expense of manufacturing models and machines. These costs are not authorized by statute, and are not permitted in any adjudicated case." *Id.* at 478.

Kohus argues that the video exhibit is a video model that should be treated like the physical models in the *Swan* case, whereas defendants argue that the video is an animation that should be treated like the drawings and charts.[8] Notably, *Swan* was decided before the *Crawford Fitting* case, so the Sixth Circuit did not have the benefit of the Supreme Court's guidance that costs are restricted to only those specified by statute. Nevertheless, to the extent *Swan* is precedential authority, it provides an additional basis for reversing the district court's award because the video exhibit is no different than the physical models at issue in *Swan*.

The defendants in *Swan* manufactured models of prior art manifolds for the purpose of showing how the accused manifolds were merely practicing the prior art. The Sixth

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8. Defendants initially requested costs for the video model *as well as* for drawings and photographs, all of which were denied by the Clerk. Defendants then abandoned their request for costs for the drawings and photographs while pursuing costs for the video. In addition, defendants' form bill of costs listed the video in an "other costs" category — not in the category of "exemplification and copies of papers necessarily obtained for use in the case."

Circuit noted that "in most patent controversies involving mechanical structures, physical models are of great assistance to the court, but after all, they are 'essentially explanatory and argumentative and in that respect merely aids to the argument of counsel and the explanations of expert witnesses.' " *Swan*, 149 F.2d at 478. The video exhibit in this case serves this same purpose. Defendants relied on the video "to clearly focus the court's attention on what Cosco viewed as the critical distinctions between the language of the claims and the accused playyards." According to defendants, the video exhibit was created because the '280 playpen was never reduced to practice and "[u]sing animation permitted Cosco to produce that [playpen] without having to create a physical model." Notably, defendants' own expert repeatedly calls the exhibit a "video model" in the report submitted to the court with defendants' motion for summary judgment. Thus, because the video is a substitute for a physical model and was created as an aid to the argument of counsel and the explanations of defendants' expert witness, *Swan* indicates that the Sixth Circuit would not permit an award of costs for the video.

While we are not bound in this case by the rulings of circuit courts other than the Sixth Circuit, we note that our conclusion is consistent with the Eleventh Circuit's reasoned decision that a computer animation is not an exemplification. *See Arcadian Fertilizer*, 249 F.3d at 1297. The Eleventh Circuit, like the Sixth Circuit in *Swan*, distinguished between paper exhibits and models by awarding costs for color photographs and oversized documents, while denying costs for the computer animation. The Eleventh Circuit interpreted " 'copies of paper' to mean reproductions involving paper

in its various forms, and conclude[d] that because oversize documents and color photographs are capable of this characterization, taxation of these costs was not error." *Id.* at 1296.

CONCLUSION

For the foregoing reasons, the decision of the district court awarding defendants costs of $12,950.00 for the video exhibit is *REVERSED.*

Appendix A

DYK, *Circuit Judge*, dissenting.

I quite agree with the majority that the statutory provision allowing "[f]ees for exemplification and copies of papers necessarily obtained for use in the case," 28 U.S.C. § 1920(4) (2000), should not be construed to allow recovery of the costs of documents that do not fall within the traditional definition of exemplification, that is, "[a]n official transcript of a public record, authenticated as a true copy for use as evidence." *Black's Law Dictionary* 593 (7th ed. 1999). I disagree, however, that a "video obviously is not a copy of paper." If we were dealing with the costs of copying or securing official authentication of a video, I think those costs would be within the statute. There must be some room to construe language carried over from an 1853 statute to include after-invented technology.

This case, however, does not involve copying or authentication costs, but the costs of preparing the original video. Those costs do not, I think, fall within the statute. My problem is that we are obligated to follow Sixth Circuit authority, and it is clear to me that existing Sixth Circuit authority would allow the costs of preparing this video.

The sole authority in the Sixth Circuit is *Swan Carburetor Co. v. Chrysler Corp.*, 149 F.2d 476 (6th Cir. 1945). As the majority recognizes, that case allowed the costs of "charts and drawings," while holding that the costs of a physical model were not authorized by the statute and could not be recovered under the equity rule of *Sprague v. Ticonic*

National Bank, 307 U.S. 161 (1939). The majority here finds that the video is like a model "because the video is a substitute for a physical model and was created as an aid to the argument of counsel and the explanations of defendants' expert witness, [and therefore] *Swan* indicates that the Sixth Circuit would not permit an award of costs for the video." *Ante* at 11.

In order to understand *Swan*, we must look to the Second and Ninth Circuit cases on which it relies. *See generally Oregon v. Kennedy*, 456 U.S. 667, 671 (1982) (examining the cases cited in the Court of Appeals' opinion in order to understand the basis for its decision). In the Ninth Circuit case, *Reinharts, Inc. v. Caterpillar Tractor Co.*, 99 F.2d 648, 649 (9th Cir. 1938), the court allowed costs for "elaborate illustrative charts" relying on the same Second Circuit case on which *Swan* itself relied, *Appliance Investment Co. v. Western Electric Co.*, 61 F.2d 752 (2d Cir. 1932). In *Appliance*, the Second Circuit held:

> In the bill of costs allowed, an item of $1,080.23 was included for expense incurred in providing simplified drawings for use in making more clear at the trial the drawings of patents having a bearing on the issues. . . . This *expense is in the same category with that for motion pictures and photographs* of small cutting tools allowed in *Victor Talking Machine Co. v. Starr Piano Co.*, (C.C.A.) 281 F. 60, 66 [2d Cir. 1922], and *fairly*

> *falls within the statute* under fees for 'copies of papers necessarily obtained for use on [sic] trials.'[9]

Id. at 756-57 (emphases added). The video here is indistinguishable from the costs allowed in *Appliance:* (1) it was designed to "mak[e] more clear at the trial the drawings of [the] patents;" (2) it was "in the same category with . . . motion pictures and photographs;" and (3) it was not a physical model. I think it unlikely that the Sixth Circuit would distinguish between motion pictures and videos. Thus, the Sixth Circuit's decision in *Swan* would allow the costs of the video, and so should we.

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9. Former provisions of the statute, codified at 28 U.S.C. § 830 (1926), required that the exemplifications and copies of paper were "necessarily obtained for use on [sic] trials" instead of the present language which requires that they were "necessarily obtained for use in the case." 28 U.S.C. § 1920(4) (2000).

APPENDIX B — MEMORANDUM AND ORDER OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF OHIO, WESTERN DIVISION DATED AND FILED APRIL 12, 2001

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

Case No. C-1-97-968

Louis M. Kohus,

Plaintiff,

vs.

Cosco, Inc., et al.,

Defendants.

Memorandum and Order

On August 17, 1999, this Court granted Defendants' motion for summary judgment in this patent infringement action and entered judgment for Defendants. The Court ruled on the basis of the construction of the language of the claims in issue and did not resort to a review of the evidence submitted by the parties, although Defendants had also sought summary judgment on the basis of the evidence. After the United States Court of Appeals for the Federal Circuit affirmed this Court's judgment, Defendants submitted a bill

of costs (Doc. 132). They sought $6,479.44[1] in court reporter costs for deposition transcripts; $2,781,25 for copies of court filings and related materials; and $14,155.78 for exhibits.

Plaintiff objected to Defendants' bill of costs on various grounds. First, Plaintiff argued that an award of costs is inappropriate in this case because the case was "close and difficult." He also argued that costs for deposition transcripts, multiple copies of materials filed with the Court, and exhibits ought not be awarded because Defendants had not sought prior court approval for the filing of those materials and they were not necessary for appeal. He argued that deposition transcript costs ought not be awarded because Defendants had not filed the deposition transcripts with the Court and the deposition testimony was not necessary to the disposition of the action.

On February 7, 2001, the Clerk issued a memorandum on costs (Doc. 136). She awarded Defendants $6,479.44 for court reporter expenses and disallowed the remaining costs sought by Defendants on the sole ground that she could not determine whether the copies and exhibits that generated those costs were necessary to the disposition of the action. Both Plaintiff and Defendants timely moved for review of the Clerk's memorandum.

Plaintiff contends that the Clerk should not have awarded Defendants costs related to court reporter services because the case was "close and difficult" and because Defendants

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1. Defendants originally requested $7,194.59 in court reporter costs. After Plaintiff objected to that amount, Defendants agreed that the proper amount was $6,479.44.

did not file the deposition transcripts with the Court and the depositions were not necessary to the disposition of the action. Defendants contend that the Clerk should not have disallowed the costs for copies and exhibits because those costs were reasonably incurred in the successful defense of the action.

Plaintiff's motion for review (Doc. 138) is not well-taken. Plaintiff correctly argues that the Court is not required to award costs when an action is "close and difficult." *White & White, Inc. v. American Hospital Supply Corp.*, 786 F.2d 728, 730 (6th Cir. 1986). In any event, the award of costs to the prevailing party is within the discretion of the Court. *See id.*

The Court is not persuaded that this action was "close and difficult." The Court granted Defendants' motion for summary judgment on the first basis asserted by Defendants, the construction of the claim language. The Court was not required to examine the evidence. The Court concluded that the claim language was ambiguous, a conclusion concerning which reasonable minds could not differ. The ambiguity was resolved in Defendants' favor as a matter of law. The disposition was easily achieved by the Court, Defendants are entitled to recover costs to the extent that they are otherwise appropriate.

Plaintiff's contention that the Court should not permit Defendants to recover court reporter costs because they did not file the deposition transcripts with the Court is fallacious. The transcripts were filed by one party or another. The Court

does not require a party to file a transcript that has already been filed by another party before the first party may recover the costs associated with the transcript.

Plaintiff's contention that the Court should deny court reporter costs because it did not rely on the transcripts in awarding judgment to Defendants is also unfounded. The Court was not obliged to consider the evidence submitted by the parties because the action was resolved on the basis of the construction of the claim language. Defendants relied on two of the transcripts in bringing their motion for summary judgment, however, and the Court would have considered that evidence had the Court not resolved the issue of claim language construction in Defendants' favor. Defendants were required to assert all possible bases for summary judgment at one time because the Court's scheduling orders do not permit successive motions for summary judgment. Accordingly, the Court concludes that Defendants are entitled to recover the court reporter costs that were reasonably incurred and necessary to the defense of this action. Plaintiff's motion for review (Doc. 138) is, therefore, **DENIED**, in part.

As the Court has observed, however, Defendants relied on only two of the deposition transcripts, those for witnesses Patrick G. Burns and Alan T. McDonald, in making their motion for summary judgment. While those two transcripts were necessary to the motion and the costs associated therewith are included in a proper award of costs, Defendants have not demonstrated that the other transcripts were necessary to the filing of the motion for summary judgment. The Court cannot determine whether they would have been necessary to the defense at trial. Accordingly, Defendants

have not persuaded the Court that they are entitled to recover their costs related to those deposition transcripts. Accordingly, Plaintiff's motion for review (Doc. 138) is **GRANTED**, in part, and the award of costs for court reporter services is reduced to the $975.90 generated by the Burns and McDonald depositions.

Defendants contend that the Clerk should have awarded them their costs related to copies of filings made with the Court and exhibits. As the parties have observed, the Guidelines applicable to costs in this District provide, with respect to copies and exhibits, that necessity is the essential criterion. While Defendants recognize that standard, they have attempted to demonstrate necessity only with respect to a video exhibit depicting the accused device. Defendants relied upon that exhibit in making their motion for summary judgment, and the Court would have considered it in ruling on the motion for summary judgment had it not disposed of this action on the basis of claim language construction. The Court concludes that the exhibit was necessary and that the costs related to the exhibit, which equal $12,950.00, should be awarded. For that reason, Defendants' motion for review (Doc. 137) is **GRANTED**, in part, and **DENIED**, in part. Plaintiff must pay Defendants costs in the total amount of $13,925.90.

IT IS SO ORDERED.

s/ Sandra S. Beckwith
Sandra S. Beckwith
United States District Judge

Supreme Court, U.S.
FILED
OCT 23 2002
OFFICE OF THE CLERK

No. 01-1831

IN THE

Supreme Court of the United States

DOREL JUVENILE GROUP, INC.,

Petitioner,

v.

LOUIS M. KOHUS,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF IN OPPOSITION

RAYMOND J. PIKNA
Counsel of Record
GLENN V. WHITAKER
ERIC W. RICHARDSON
VORYS, SATER, SEYMOUR
AND PEASE LLP
Attorneys for Respondent
Suite 2100, Atrium Two
221 East Fourth Street
Cincinnati, Ohio 45201
(513) 723-4000

176962

COUNSEL PRESS
(800) 274-3321 • (800) 359-6859

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CLARIFICATION OF PETITIONER'S STATEMENT OF THE CASE

Petitioner Dorel Juvenile Group, Inc. (formerly "Cosco, Inc." in the lower courts and hereinafter referred to as "Cosco") cloaks its dissatisfaction with an adverse appellate decision — in a costs dispute involving a total of $12,950 — by manufacturing an issue for this Court's review. This Court has already held that the costs permissible to be taxed by a prevailing party are those specifically enumerated in 28 U.S.C. § 1920 and has directed that the lower courts interpret and apply those categories in accordance with the explicit statutory language. *See Crawford Fitting Co. v. J.T. Gibbons, Inc.*, 482 U.S. 437, 445 (1987).

Reaching for an issue with which to capture this Court's attention, Cosco asserts that this Court ought to provide a comprehensive definition of the term "fees for exemplification" for imposition upon the various federal circuits. Cosco obscures the fact, however, that it never sought to tax its animated video — and the District Court did not award costs for the video — as a "fee[] for exemplification."

Further, Cosco ignores the fact that both it and its expert witness (who presented the animation as part of his expert report) characterized the animation as a "video model" of the allegedly infringing device — even though the federal circuits have consistently held that the cost of models is not taxable under 28 U.S.C. § 1920 (or is not taxable without pretrial authorization). Additionally, the animated video was prepared and presented solely as an exhibit to its expert's report. Once again, both this Court and the circuit courts have held that a prevailing party may not tax the costs of an expert's report or time except to the extent expressly permitted by statute. *See Crawford Fitting Co. v. J.T. Gibbons, Inc.*, 482 U.S. 437, 445 (1987).

Faced with a record supporting the appellate court's denial of costs on a multitude of bases, Cosco is left to coax a single issue into the appearance of a critical point and to persuade this Court to ignore the overwhelming number of other bases on which the appellate court's decision is justified. Moreover, even the basis offered by Cosco is without merit. The so-called schism identified by Cosco applies to a narrow issue considered by a single Eleventh Circuit case and a single Seventh Circuit case. All of the other cases referenced by Cosco in its brief were decided before this Court's decisions in *Crawford Fitting*, and still adhered to the now-discredited belief that a district court, in exercise of its general equitable powers, could award costs beyond those specifically enumerated by statute. Accordingly, the allegedly broad "split among the circuits" asserted by Cosco simply does not exist.

Further, the disagreement between the cited Eleventh and Seventh circuit cases is *not* whether demonstrative evidence can be taxed at all, but simply how comparable that evidence must be to the enumerated categories in section 1920 to be taxed. This rather narrow issue has not been addressed by the other circuit courts in the fifteen years since *Crawford Fitting*, thus demonstrating the less-than-critical importance of the issue to litigants and the lower courts.

In short, there is no issue of general import for this Court's consideration, no "split among the circuits" for this Court's resolution and no reversible error for this Court's correction. Respondent Louis M. Kohus respectfully submits that the petition should be denied.

A. The record establishes that the animated video model was not taxable under any circumstances.

1. The animated video was prepared by Cosco's expert as part of that expert's report as a video "model" of the accused device.

Respondent Kohus sued Cosco, Inc., Toys R Us, Inc. and R&R Resale, Inc. ("Defendants") for infringement of United States Patent No. 4,688,280 ("the '280 Patent") for making, importing, and selling certain lines of children's playpens ("playyards"). *See* JA at A49 and A106-A107.

Pursuant to the District Court's Calendar Order, the parties served their expert reports on February 9, 1999. *See* JA at A21, A184, A241, A387, A404. On February 10, 1999, Defendants filed the report of their engineering expert, Dr. Alan McDonald. See JA at A404. Dr. McDonald's report consisted of a twenty-two page report with three exhibits prepared by the expert, including an animated "video model" depicting the folding and unfolding of the accused playyard. *See* JA at A406, A428A.

On May 4, 1999, Defendants moved for summary judgment of non-infringement. *See* JA at A430-A504. In support of their motion, Defendants attached the expert report of Dr. McDonald and the animated video model that was submitted as part of that report. *See* JA at A430-A433, A514-A540.

On June 22, 1999, Kohus opposed the motion for summary judgment. *See* JA at A661, A668-A674. In addition to noting numerous inaccuracies in the video model, Kohus provided the District Court with, among other things,

drawings of the patented and accused playyards and actual samples of the $79 playyards at issue. *See* JA at A792-A801, A673, A673 n.3, A701 and A701 n.16.

2. The animated video model was never relied upon or referred to by the District Court, was never presented for taxation as an "exemplification" by Defendants on their bill of costs, and was not awarded as "exemplification fees" by the District Court.

On August 17, 1999, the District Court adopted a narrow interpretation of the '280 Patent's claim language and, based on the parties' uncontested descriptions of the accused device, granted summary judgment in favor of Defendants. *See* JA at A3314 and A3314 n.1. In its opinion, the District Court never once cited to or relied on the animated video model, the sample playyards offered by Kohus for the District Court's consideration or any other evidence presented for the Court's review. *See* JA at A3303-A3315. On September 14, 1999, Kohus appealed the District Court's grant of summary judgment and, on June 15, 2000, the Federal Circuit affirmed. *See* JA at A3329.

On June 29, 2000, Defendants presented a bill of costs. Specifically, Defendants submitted various costs for taxation as "fees for exemplification and copies of paper" and *separately* requested the taxation of their expert's animated video model and exhibits as "other costs." *See* JA at A3384. On February 7, 2001, the District Court Clerk of Courts denied Defendants' request for taxation of the animated video model, noting that Defendants had not shown that any of the "exhibit" costs (including the animated video model) or the requested exemplification charges were necessary for the preparation of this case. JA at A3382-A3383.

On April 12, 2001, the District Court affirmed the Clerk's denial of Defendants' requested exemplification charges. JA at A4-A5. The District Court, however, then reversed the Clerk's denial of costs for the $12,950 video model prepared by Defendants' expert, even though the District Court had never considered the video model in resolving this case and even though samples of the playyards at issue had been offered for the District Court's consideration. *See* JA at A5. The District Court cited no precedent or authority for the award of costs. *See id.*

On May 10, 2001, Kohus appealed the District Court's award of costs for the video model. Defendants did not appeal the District Court's denial of those costs which Defendants had designated on their bill of costs as "exemplification charges."

B. The Federal Circuit noted that the animated video model was not taxable because (1) there is no basis for construing "fees for exemplification" so broadly as to include the computer-animated video models and (2) even if demonstrative evidence can be broadly taxed as costs, models are not sufficiently analogous to the categories of taxable costs.

On appeal, Kohus argued that the district court abused its discretion in awarding costs for the animated video model. Relying on *Crawford Fitting Co. v. J.T. Gibbons, Inc.*, 482 U.S. 437 (1987), the Federal Circuit noted that the District Court could not award costs beyond those specified by section 1920 and concluded that there was no statutory basis for the taxation of the animated video model:

> In accordance with *Crawford Fitting*, the district court in this case was limited to awarding those

> costs specified by 28 U.S.C. § 1920. The only provision of section 1920 that could arguably apply to defendants' video exhibit is subsection (4) regarding "exemplification and copies of papers." A video obviously is not a copy of paper. Nor is it an exemplification when that term is given its legal definition of "[a]n official transcript of a public record, authenticated as a true copy for use as evidence." Black's Law Dictionary 593 (7th ed. 1999). We reject defendants' contention that "exemplification" should be construed broadly to encompass the video exhibit in this case. No Sixth Circuit precedent supports such an expansive interpretation of the term. In addition, Congress did not use the broad phrase "demonstrative evidence" in section 1920, and we are clearly bound not to exceed the limits of this statute. *See Crawford Fitting*, 482 U.S. at 445. Thus, because the video exhibit in this case is not an exemplification, the district court had no statutory authority to award costs for the video. The district court erred by taxing the cost of the video to Kohus.

Pet. at 9a-10a.

Continuing, the Federal Circuit noted that the Sixth Circuit had not yet ruled on the issue of whether a video model or computer animation could be taxed as costs. Pet. at 10a. Nonetheless, the Federal Circuit noted that, even if demonstrative evidence could be broadly taxed as "exemplifications," the animated videotape was not taxable because it was — by Defendants' own admission — a video "model" of the accused device and, under Sixth Circuit law,

models are not taxable as costs. *See* Pet. at 10a-13a (citing *Swan Carburetor Co. v. Chrysler Corp.*, 149 F.2d 476 (6th Cir. 1945)). Specifically, the Sixth Circuit has long held that physical models are often used in patent cases as an aid to the explanations of expert witnesses or the argument of counsel, but that such models are not analogous to the categories of costs allowed by statute and, thus, ought not be taxed to the losing party. *See* Pet. at 10a-13a (citing *Swan Carburetor*, 149 F.2d at 478). Noting that the video model in this matter was comparable to the physical model at issue in *Swan Carburetor*, the Federal Circuit observed that the video model was not taxable for this additional reason. *See* Pet. at 11a-13a.

Further, the dissenting opinion by Judge Dyk *agreed* with the majority that the animated video model was not taxable under *Crawford Fitting* or 28 U.S.C. § 1920. *See* Pet. at 14a-15a. Nevertheless, Judge Dyk dissented because he believed the Sixth Circuit's *Swan Carburetor* decision would have allowed the taxation of the video model. *See* Pet. at 14a-16a.

REASONS FOR DENYING THE PETITION

Cosco's petition should be denied because the Federal Circuit's decision comports with *Crawford Fitting* and 28 U.S.C. § 1920 and is supportable on any of numerous alternative bases. Additionally, this case implicates no split among the circuits for this Court's resolution.

A. The Federal Circuit 's decision comports with *Crawford Fitting* and 28 U.S.C. § 1920 and is not a proper case for this Court's review because any decision by this Court addressing the issue presented by Cosco will be dicta in light of the numerous, alternative bases for affirmance.

1. The Federal Circuit's decision is in accord with *Crawford Fitting* and 28 U.S.C. § 1920.

In *Crawford Fitting Co. v. J.T. Gibbons, Inc.*, 482 U.S. 437, 445 (1987), this Court held that, absent explicit statutory or contractual authorization, federal courts are bound by the limitations set out in 28 U.S.C. § 1920 and possess no discretion to award other categories of costs. *See id.* "Title 28 U.S.C. § 1920 now embodies Congress' considered choice as to the kinds of expenses that a federal court may tax as costs against the losing party," *see id.* at 440, and, "absent explicit statutory or contractual authorization for the taxation of the expenses . . . federal courts are bound by the limitations set out in 28 U.S.C. § 1821 [regarding witness fees] and § 1920." 482 U.S. at 445.

In *Crawford Fitting*, this Court addressed the particular issue of whether a district court could award expert witness fees under 28 U.S.C. § 1920(3) in excess of those specified

by 28 U.S.C. § 1821(b). The Court concluded that while Rule 54(d) and section 1920(3) gave the district court discretion to award expert witness fees, section 1821 limited the amount that could be awarded. *Id.* at 441. "[W]hen Congress meant to set a limit on fees, it knew how to do so. . . . The discretion granted by Rule 54(d) is not a power to evade this specific congressional command. Rather, it is solely a power to decline to tax, as costs, the items enumerated in § 1920." *Id.* at 442. Noting that the district judge does not have discretion to award costs not specifically authorized by statute, the Court found that the trial judge did not have the discretion to award expert witness fees, such as the expert's hourly rate, beyond those specified by section 1821. *Id.* at 445.

In the present case, the Federal Circuit examined the language of 28 U.S.C. § 1920 and this Court's *Crawford Fitting* decision and concluded that the District Court did not have authority to award costs for the animated video model. *See* Pet. at 8a-10a. The Federal Circuit noted that no provision of 28 U.S.C. § 1920 expressly provided for the taxation of such animated videos or demonstrative evidence, nor had Cosco pointed to any provision authorizing the taxation. *Id.* Indeed, the Federal Circuit noted that Cosco had presented certain copying costs on its bill of costs for taxation as "exemplification charges" and *separately* presented its animated video as miscellaneous "other" costs. *See id.* at 11a and 11a n.8.

Nonetheless, the Federal Circuit considered Cosco's belated suggestion that its video model was taxable under section 1920(4) regarding "exemplification and copies of papers." *Id.* at 11a. The Federal Circuit noted that a "video obviously is not a copy of paper . . . [n]or is it an exemplification when that term is given its legal definition

of '[a]n official transcript of a public record, authenticated as a true copy for use as evidence.'" *See id.* at 9a-10a (quoting Black's Law Dictionary 593 (7th ed. 1999)). Both the majority and dissenting opinions concurred on this point. *See* Pet. at 9a-10a and 14a (Dyk, J., dissenting) ("This case, however, does not involve copying or authentication costs, but the costs of preparing the original video. Those costs do not, I think, fall within the statute.").

Further, the Federal Circuit concluded that section 1920 could not be read so broadly as to include every permutation of demonstrative evidence, including the computer-animated video model. Citing *Crawford Fitting*, the Federal Circuit noted that Congress could have provided in section 1920 for the taxation of "demonstrative evidence" generally, but had chosen not to do so. *See* Pet. at 10a ("Congress did not use the broad phrase 'demonstrative evidence' in section 1920, and we are clearly bound not to exceed the limits of this statute.") (citing *Crawford Fitting*, 482 U.S. at 445). In accordance with *Crawford Fitting*, the Federal Circuit thus concluded that the district court lacked discretion to broaden the scope of recoverable costs and reversed the District Court's decision. *See* Pet. at 9a-10a.

Lastly, the Federal Circuit noted yet an additional basis for its decision. Even if the costs of preparing demonstrative evidence could be broadly awarded as "fees for exemplification" in accordance with *Crawford Fitting*, the Federal Circuit noted that the Sixth Circuit (the circuit whose law was applicable to this appeal) had expressly disapproved the taxation of models — such as the Defendants' video model — in patent cases since 1945. *See* Pet. at 10a-12a.

Contrary to Cosco's assertions (*see* Pet. at 13-14), the Federal Circuit did *not* define "exemplification" fees on the one hand and then go "beyond the scope of its definition" on the other. *See* Pet. at 14. In fact, the Federal Circuit first held that "fees for exemplification" did not include the animated video model in this case and noted that Congress had declined to use the broad phrase "demonstrative evidence" in identifying categories of recoverable costs. *See* Pet. at 10a-12a (citing *Swan Carburetor*, 149 F.2d at 477-78). The majority then noted that, *even if* demonstrative evidence were broadly taxable as "exemplification[s]," the Sixth Circuit's opinion in the 1945 case of *Swan Carburetor* made it clear that the Sixth Circuit did not consider model costs sufficiently analogous to the statutory language awarding fees for "exemplifications." *See id.* at 11a ("*[T]o the extent Swan is precedential authority*, it provides an additional basis for reversing the district court's award because the video exhibit is no different than the [non-taxable] physical models at issue in *Swan*.") (emphasis added).[1]

---

1. The dissenting opinion by Judge Dyk rests on a fundamental error. The majority opinion concludes (correctly and consistently) that the animated video model is taxable *neither* under 28 U.S.C. § 1920 and *Crawford Fitting*, *nor* under the Sixth Circuit's decision in *Swan Carburetor*. *See* Pet. at 14a (Dyk, J., dissenting).

Judge Dyk, however, concludes that the video model is not taxable under 28 U.S.C. § 1920 or *Crawford Fitting*, but then asserts that the video model is somehow rendered taxable by the Sixth Circuit's 1945 decision in *Swan Carburetor*. *See* Pet. at 15a-16 (Dyk, J., dissenting). Obviously, if the animated video model is not taxable under 28 U.S.C. § 1920 (the only statutory basis for its taxation), the Sixth Circuit's decision in *Swan Carburetor* cannot broaden the scope of recoverable costs to include the animated video

(Cont'd)

The Federal Circuit followed this Court's analysis in *Crawford Fitting*, examined the statutory language and properly concluded that the District Court lacked authority to tax the costs of the animated video model to Kohus. As the Federal Circuit concluded, and this Court directed in *Crawford Fitting*, it is the province of Congress — and not the courts — to establish the scope of costs which may be taxed against a losing party. Where Congress has declined to make certain costs taxable, those limitations must be respected and adhered to by the district courts.

2. This case is not suitable for this Court's review because the appellate court decision must be affirmed on any of numerous, alternative bases and, thus, any decision by this Court on the issue framed by Cosco will be dicta.

The present case is not suitable for this Court's review because of the numerous alternative bases upon which the Federal Circuit's decision must be affirmed. Even if this Court accepted the case for review on the broad issues framed by Cosco — (1) "[w]hat costs are recoverable as '[f]ees for exemplification and copies of paper'" and (2) whether the Federal Circuit erred in construing 28 U.S.C. § 1920(4) to exclude computer-animated models — any decision by this Court would be dicta because the Federal Circuit's opinion must be affirmed on any of numerous, alternative bases.

(Cont'd)

model. *See Crawford Fitting*, 482 U.S. at 445 ("[A]bsent explicit statutory or contractual authorization for the taxation of the expenses . . . federal courts are bound by the limitations set out in 28 U.S.C. § 1821 [regarding witness fees] and § 1920.").

First, the petition should be denied because any decision regarding the meaning of exemplification fees is dicta in this matter; specifically, the Defendants never presented their video model for taxation as an "exemplification" fee on their bill of costs. *See* JA at A3384. Rather, as the Federal Circuit correctly noted, Defendants presented a request for taxation of certain costs as "exemplification" charges and *separately* requested taxation of the video model as "other costs." *See id.* Further, the District Court itself did not award costs for the animated video model as an "exemplification." *See* JA at A5.

Second, the petition should be denied because the Federal Circuit's decision must be affirmed on the alternative ground that the animated video model was prepared and submitted as part of Defendants' expert report. In *Crawford Fitting Co. v. J.T. Gibbons, Inc.*, 482 U.S. 437, 445 (1987), this Court held that, absent explicit statutory or contractual authorization, federal courts may not award expert fees beyond the daily attendance fee and allowable travel and subsistence expenses specified in 28 U.S.C. § 1821(b). Because a district court may not tax the costs of preparing a party's expert report, or the exhibits to that report, the District Court lacked authority to tax the costs of the Defendants' animated video and the Federal Circuit correctly reversed the award of costs. *See id.*

Third, the petition should be denied because the Federal Circuit's decision must also be affirmed on the basis that the animated video model in this case was not necessarily obtained for use in the case. As Kohus noted for the Federal Circuit, the District Court's award of $12,950 in costs for an animated video depicting the folding and unfolding of the $79 accused playyard — *164 times the cost of the actual*

playyard which was also offered for the Court's consideration — was an abuse of discretion. *See, e.g.*, Pet. at 8a n.5 (questioning whether Defendants could demonstrate necessity in the present case); *see also Copper Liquor, Inc. v. Adolph Coors Co.*, 684 F.2d 1087, 1101 (5th Cir. 1982) ("[E]xpenses incurred extravagantly or unnecessarily should be disallowed. . . ."), *overruled on other grounds, International Woodworkers of America, AFL-CIO and its Local No. 5-376 v. Champion Intern. Corp.*, 790 F.2d 1174 (5th Cir. 1986). Cosco's questions presented assume — improperly — that a showing of necessity for the video model can be made.

Fourth, the petition should be denied because the position urged by Cosco for this Court's adoption has no application to the present case. Specifically, Cosco asserts in its petition that section 1920 "should be construed to allow recovery for trial exhibits, in whatever form, if such exhibits are necessarily obtained for use at trial." *See* Pet. at 17. Cosco omits to mention that the animated video model *was never prepared for, or used at, trial*; rather, the animated video model was prepared solely as an exhibit to Cosco's expert report, was never introduced into evidence and was never cited to or relied upon by the District Court. *See* JA at A404, A428A, and A5. In short, the position urged by Cosco has no bearing on the present case or the circumstances in which the video model was created. Accordingly, this Court's decision on Cosco's questions presented will have no application to the present case.

Because any decision that this Court might render as to the issues presented would be irrelevant to this case's ultimate disposition, Kohus respectfully submits that this matter is not appropriate for this Court's review.

B. This case does not implicate any split among the circuits for this Court's resolution.

Contrary to Cosco's assertions, this case implicates no broad split among the circuits. Because there is no split for this Court's resolution, the present case is inappropriate for resolution by this Court.

As an initial matter, the ***only*** case (other than the present one) which deals with the taxability of computer animation is the Eleventh Circuit's decision in *Arcadian Fertilizer, L.P. v. MPW Indus. Services, Inc.*, 249 F.3d 1293, 1297 (11th Cir. 2001). In *Arcadian Fertilizer*, the Eleventh Circuit held — *just as the Federal Circuit did in this case* — that computer animation is not taxable under 28 U.S.C. § 1920(4) as a "fee for exemplification or copies of paper." *See id.* at 1296-97.

Similarly, Cosco identifies *no* other cases (let alone a split in authority) as to whether an animated video — that was prepared solely as an exhibit to an expert report; that was never used at trial; that was never admitted into evidence; and that was never cited to or relied upon by the district court — can be taxed as fee for exemplification. *See* Pet. at 7-13.

Further, Cosco cites no split among the circuit courts as to the taxation of costs for models. Specifically, the only decisions cited by Cosco that deal with the taxation of models uniformly hold that such models *are not taxable* without some prior order or approval of the district court. *See Swan Carburetor Co. v. Chrysler Corp.*, 149 F.2d 476, 478 (6th Cir. 1945) (physical models used in explaining a party's patent infringement position were not taxable as costs); *Reinharts, Inc. v. Caterpillar Tractor Co.*, 99 F.2d 648, 649-50 (9th Cir. 1938) (models are not taxable); *Johns-Manville*

Corp. v. Cement Asbestos Prods. Co., 428 F.2d 1381, 1385 (5th Cir. 1970) (models are not taxable without prior order of the district court).

Additionally, Cosco fails to present a split among the circuits after *Crawford Fitting* as to the scope of recoverable costs under section 1920(4). Specifically, the Second, Fifth, Ninth, and Tenth circuit decisions cited by Cosco in its petition were either *decided prior to this Court's 1987 decision in Crawford Fitting* — or fail to address the impact of *Crawford Fitting* — and, thus, rely on the now-discredited assumption that a district court possesses inherent authority to award costs in addition to those specifically enumerated by statute. *See In re Air Crash Disaster at John F Kennedy Int'l Airport*, 687 F.2d 626, 631 (2d Cir. 1982); *Appliance Investment Co. v. Western Electric Co.*, 61 F.2d 752 (2d Cir. 1932); *Studiengesellschaft Kohle mbH v. Eastman Kodak Co.*, 713 F.2d 128, 132-33 (5th Cir. 1983); *Johns-Manville Corp. v. Cement Asbestos Prods. Co.*, 428 F.2d 1381, 1385 (5th Cir. 1970); *Reinharts, Inc. v. Caterpillar Tractor Co.*, 99 F.2d 648, 649-50 (9th Cir. 1938); *Maxwell v. Hapag-Lloyd Aktiengesellschaft*, 862 F.2d 767, 770 (9th Cir. 1988) (although decided after *Crawford Fitting*, the Ninth Circuit paradoxically relies on decisions decided *before Crawford Fitting* to define the scope of taxable costs); *Mikel v. Kerr*, 499 F.2d 1178, 1182-83 (10th Cir. 1974); *Tilton v. Capital Cities/ABC, Inc.*, 115 F.3d 1471, 1476 (10th Cir. 1997) (decided after *Crawford Fitting*, but makes no mention of *Crawford Fitting*); *U.S. Indus., Inc. v. Touche Ross & Co.*, 854 F.2d 1223, 1248 (10th Cir. 1998) (decided after *Crawford Fitting*, but makes no mention of *Crawford Fitting*).

Similarly, many of the decisions cited by Cosco have nothing whatsoever to do with section 1920(4), the taxation

of video models or the general taxation of demonstrative evidence. *See Denny v. Westfield State Col.*, 880 F.2d 1465, 1472 (1st Cir. 1989) (cited at page 9 of Cosco's petition for the unremarkable proposition that there is a distinction between the preparation of trial exhibits and general intellectual preparation for trial); *Romero v. City of Pomona*, 883 F.2d 1418, 1427-28 (9th Cir. 1989) (addressing the taxability of expert witness fees), *abrogation recognized by Townsend v. Holman Consulting Corp.*, 929 F.2d 1358 (9th Cir. 1990).

Lastly, the only post-*Crawford Fitting* conflict which Cosco can identify is the disagreement between the Eleventh Circuit and the Seventh Circuit as to how broadly the term "exemplification" can be interpreted. *See* Pet. at 7-8 (citing *Cefalu v. Village of Elk Grove*, 211 F.3d 416, 427 (7th Cir. 2000)) and Pet. at 11-12 (citing *Arcadian Fertilizer, L.P. v. MPW Indus. Services, Inc.*, 249 F.3d 1293, 1297 (11th Cir. 2001)). Importantly, the issue considered by these courts is *not* — as framed by Cosco (*see, e.g.*, Pet. at 17-18) — whether demonstrative evidence can ever be taxed under section 1920(4). Rather, the issue considered by the Eleventh and Seventh Circuits is, simply, how comparable the demonstrative evidence must be to the specifically enumerated categories under section 1920 to be taxed. *See, e.g., Arcadian Fertilizer, L.P. v. MPW Indus. Services, Inc.*, 249 F.3d 1293, 1297 (11th Cir. 2001) (denying costs for computer animation because computer animation was not analogous to the "exemplifications and copies of paper" noted in section 1920(4), *but approving award of costs for other demonstrative evidence* — such as oversized documents and photographs — which were capable of such a characterization). Tellingly, Cosco can identify only these two circuit decisions in the fifteen years since *Crawford Fitting* which have had occasion to address this issue.

Indeed, Cosco strains even to tie this narrow disagreement to the present case. Specifically, because the Federal Circuit provided two different bases for its decision, the resolution of the alleged split identified by Cosco has little or no impact upon the present case. Specifically, the Federal Circuit held that the District Court's award of costs for the animated video model must be reversed because (1) a video model is not taxable as an exemplification because the word "exemplification" cannot be read so broadly as to include all forms of demonstrative evidence and (2) even if demonstrative evidence ought to be broadly taxed as "exemplification[s]," models — such as the video model in the present case — are still not sufficiently analogous to the enumerated categories of awardable costs. *See* Pet. at 10a-13a.

Thus, even if this Court decides that the word "exemplification" in section 1920(4) can be read broadly to include varieties of demonstrative evidence, all of the cases cited by Cosco demonstrate that models — due to their cost and their primary purpose as an aid to the arguments of counsel and expert witnesses — ought nonetheless be *excluded* from recoverable costs. *See, e.g.*, *Swan Carburetor Co. v. Chrysler Corp.*, 149 F.2d 476, 478 (6th Cir. 1945) (physical models used in explaining a party's patent infringement position were not taxable as costs because such costly models are primarily an aid to the arguments of counsel or the explanations of expert witnesses); *Reinharts, Inc. v. Caterpillar Tractor Co.*, 99 F.2d 648, 649-50 (9th Cir. 1938) (models are not taxable as costs); *Johns-Manville Corp. v. Cement Asbestos Prods. Co.*, 428 F.2d 1381, 1385 (5th Cir. 1970) (models are not taxable as costs without prior order of the district court).

Further, Kohus respectfully submits that the issue presented by Cosco — the scope of the word "exemplification" as used in section 1920(4) — is not appropriate for this Court's review because none of the other circuit courts have had the opportunity to address the issue since *Crawford Fitting*. Unless this Court wishes to provide a comprehensive definition of each and every permutation of "fees for exemplification and copies of paper" for use by all federal courts — without the benefit of the other circuits' reflection on and consideration of the issue — Kohus submits that the issue is overly broad and premature for this Court's consideration.

In short, Cosco has identified no split among the circuit courts that is relevant to the issues in the present case, that would mandate a reversal of the present case or that merits this Court's resolution. Kohus respectfully submits that the petition should be denied.

CONCLUSION

For all the foregoing reasons, the petition should be denied.

Respectfully submitted,

RAYMOND J. PIKNA
Counsel of Record
GLENN V. WHITAKER
ERIC W. RICHARDSON
VORYS, SATER, SEYMOUR
AND PEASE LLP
Attorneys for Respondent
Suite 2100, Atrium Two
221 East Fourth Street
Cincinnati, Ohio 45201
(513) 723-4000

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Supreme Court, U.S.
FILED
NOV 5 2002
CLERK

No. 01-1831

IN THE

Supreme Court of the United States

DOREL JUVENILE GROUP, INC.,

Petitioner,

v.

LOUIS M. KOHUS,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

REPLY BRIEF

PAUL B. HUNT
Counsel of Record
DEBORAH POLLACK-MILGATE
BARNES & THORNBURG
Attorneys for Petitioner
11 South Meridian Street
Indianapolis, IN 46204
(317) 231-7453

177213

COUNSEL PRESS
(800) 274-3321 • (800) 359-6859

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STATEMENT PURSUANT TO RULE 29.6

Petitioner's corporate disclosure statement was set forth at page *ii* of the Petition for a Writ of Certiorari, and there are no amendments to that statement.

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INTRODUCTION

Petitioner has asked the Court to grant certiorari in this matter because the issue presented — namely, the scope of recoverable costs for exemplification under 28 U.S.C. § 1920(4) — falls within the category of cases that are compelling, as that term is defined in Rule 10 of the Rules of the Supreme Court of the United States. In every case that proceeds to judgment in the federal courts, litigants submit, and courts consider, a bill of costs. There is no uniformity, however, concerning the scope of costs recoverable as costs for "exemplification." Thus, the clarity of the relevant statute, 28 U.S.C. § 1920(4), is of paramount importance to both litigants and courts. Petitioner has not, as Respondent has charged, "manufactured" an issue for consideration by this Court.

Respondent has challenged the Petition on the basis that there is no split among the circuits. Respondent arrives at this conclusion by narrowing and inaccurately characterizing the issue presented, by mischaracterizing and even disregarding the case law, and by presupposing what Respondent hopes this Court will ultimately conclude, namely, that the term exemplification cannot be understood to encompass anything more than "official transcripts." This is precisely the conclusion of the Federal Circuit, and precisely the issue that would benefit greatly from this Court's attention.

1. Respondent has both accurately and inaccurately characterized the issue for review.

Respondent has accurately characterized the issue presented as the scope of recoverable costs for exemplification under 28 U.S.C. § 1920(4). *See* Br. in Opp'n at 1, 19. Respondent also, however, variously characterizes the issue as: "how comparable [demonstrative] evidence must be to the enumerated categories in section 1920 to be taxed" (*id.* at 2); whether costs

for "models" may be taxed; or whether computer animation may be taxed (*id.* at 15). Respondent further narrows the issue by arguing that this case is not appropriate for review because no other cases consider "whether an animated video — that was prepared solely as an exhibit to an expert report; that was never used at trial; that was never admitted into evidence; and that was never cited to or relied upon by the district court — can be taxed as fee for exemplification" (*id.* at 15).

The question presented is, as Petitioner has said, the scope of recoverable costs for exemplification. The other issues presented by this case in particular will be resolved by this Court's guidance as to the meaning of the word exemplification.

2. Respondent has attempted to eliminate the split of authority among the circuits by narrowing the issue unduly, and by mischaracterizing and disregarding the case law.

Respondent argues that there is no split in authority among the circuits because, *inter alia*, Petitioner has identified no cases that resemble this one factually, as defined by the several points outlined above (i.e., the exhibit was prepared as an exhibit for an expert report; it was never used at trial; it was never admitted into evidence, etc.). Only by narrowing the issue unduly can Respondent eliminate the considerable split among the circuits. This narrowing disregards the fact that cases are unique in their facts and procedural history and ignores important and extensive case law construing Section § 1920(4).

Respondent's misstatements concerning the case law on this subject are several. First, Respondent contends, "*All* of the other cases referenced by [Petitioner] in its brief [save Eleventh Circuit and Seventh Circuit cases] were decided

before this Court's decision in *Crawford Fitting*" (Br. in Opp'n at 2) (emphasis added).[1] This statement is simply untrue. *Crawford Fitting Co. v. J.T. Gibbons, Inc.*, 482 U.S. 437 (1987), was decided in 1987. Petitioner cites many cases, in addition to those from the Seventh and Eleventh Circuits, decided after 1987. *See Tilton v. Capital Cities/ABC, Inc.*, 115 F.3d 1471, 1476 (10th Cir. 1997); *Romero v. City of Pomona*, 883 F.2d 1418, 1427 (9th Cir. 1989); *Denny v. Westfield State Coll.*, 880 F.2d 1465, 1472 (1st Cir. 1989); *Maxwell v. Hapag-Lloyd Aktiengesellschaft*, 862 F.2d 767, 770 (9th Cir. 1988); *U.S. Indus., Inc. v. Touche Ross & Co.*, 854 F.2d 1223, 1248 (10th Cir. 1988)[2] ; *Goodwall Constr. Co. v. Beers Constr. Co.*, 824 F. Supp. 1044, 1061-64 (N.D. Ga. 1992); *Deaton v. Dreis & Krump Mfg. Co.*, 134 F.R.D. 219, 224 (N.D. Ohio 1991); *Cobb v. Time, Inc.*, No. 3:94-0836, 1999 U.S. Dist. LEXIS 22992, at *5-6 (M.D. Tenn. Dec. 10, 1999).

Respondent later qualifies this statement considerably, contending that,

> [T]he Second, Fifth, Ninth, and Tenth circuit decisions cited by Cosco in its petition were either *decided prior to this Court's 1987 decision in Crawford Fitting — or fail to address the impact of Crawford Fitting* — and, thus, rely on the now-discredited assumption that a district court possesses inherent authority to award costs in addition to those specifically enumerated by statute.

Br. in Opp'n at 16 (emphasis in original). This statement is also untrue. Petitioner relies on *Maxwell*, a case decided after

1. For context, the quotation continues, ". . . and still adhered to the now discredited belief that a district court, in exercise of its general equitable powers, could award costs beyond those specifically enumerated by statute" (Br. in Opp'n at 2).

2. Petitioner incorrectly cited the year of this decision as 1998 in its Petition.

Crawford Fitting. In *Maxwell*, the Ninth Circuit concluded that, after considering arguments from both parties as to the significance of *Crawford Fitting*, "the common meaning of the phrase 'exemplification and copies of papers' may under certain circumstances encompass illustrative materials *if* '*necessarily* obtained for use in the case. . . .'" 862 F.2d at 770 (emphasis in original). In *Romero*, also decided after *Crawford Fitting*, the Ninth Circuit opines that *Crawford Fitting* "fatally undermines" Seventh Circuit law[3] relying on the court's equitable power to tax costs "'beyond mere physical production of court materials,'" and concludes that Section 1920(4) cannot be read so broadly as to allow recovery of expert research expenses as exemplification costs. 883 F.2d at 1428.

In addition, in an effort to minimize the conflict among the courts, Respondent also eliminates consideration of other, important cases that illustrate the post-*Crawford Fitting* conflict. Both the Seventh Circuit and the Eleventh Circuit cases cited by Petitioner discuss the implications of *Crawford Fitting*. *See Arcadian Fertilizer, L.P. v. MPW Indus. Servs., Inc.*, 249 F.3d 1293, 1296 (11th Cir. 2001); *Cefalu v. Village of Elk Grove*, 211 F.3d 416, 427-28 (7th Cir. 2000). Nonetheless, Respondent focuses on the Second, Fifth, Ninth, and Tenth Circuit cases. Respondent has also overlooked a district court opinion discussing in detail the implications of *Crawford Fitting* on the prevailing rule of the Fifth Circuit (*Goodwall Constr.*, 824 F. Supp. at 1062-64), has ignored the conflict created by the Federal Circuit concerning Federal Circuit law and Sixth Circuit law in the present case, and simply disregards cases from the Tenth Circuit decided after *Crawford Fitting*. Respondent has thus narrowed drastically the category of cases it believes relevant for consideration

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3. Citing *EEOC v. Kenosha Unified Sch. Dist. No. 1*, 620 F.2d 1220 (7th Cir. 1980).

by this Court. Even having done so, Respondent has failed to articulate an accurate statement of the extensive authority cited by the Petitioner.[4]

In short, it is simply not accurate either that "Cosco has identified no split among the circuit courts that is relevant to the issues . . ." or that "none of the other circuit courts have had the opportunity to address the issue since *Crawford Fitting*." Br. in Opp'n at 19. Nor is it compelling that Respondent has discounted or disregarded cases from the Seventh, Ninth, Tenth, and Eleventh Circuits. There is a wide range of views concerning the scope of items taxable as costs for exemplification, and courts and litigants would benefit greatly from review of this issue by the Court.

3. Respondent attempts to eliminate the circuit split by assuming that the Federal Circuit's interpretation of the statute is correct. *Crawford Fitting*, however, binds trial courts to awarding only those costs enumerated by the statute; it does not define "exemplification."

Respondent also attempts to minimize the split among the circuits by presupposing that the Federal Circuit's interpretation of the statute is correct. However, that the

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4. Respondent also maintains that "many of the decisions cited by Cosco have nothing whatsoever to do with section 1920(4), the taxation of video models or the general taxation of demonstrative evidence." Br. in Opp'n at 16-17. This statement is also untrue. The two cases cited for this proposition by Respondent explicitly address section 1920(4). *See Denny*, 880 F.2d at 1467-68 (also discussing *Crawford Fitting*); *Romero*, 883 F.2d at 1428 (same). Moreover, to the extent that Respondent seeks to narrow the import of *Romero* based on the fact that it discusses whether expert research expenses associated with the preparation of trial exhibits may be taxed, rather than the exhibits themselves, it is improper to do so. *Romero*, as other cases, illustrates the wide range of costs that have been considered as exemplification costs.

Federal Circuit correctly concluded that no costs are recoverable for a video animation under the statute is not a foregone conclusion.

In *Crawford Fitting*, the Supreme Court held that only those costs specifically enumerated in 28 U.S.C. § 1920 are permissibly taxed as costs by the prevailing party. 482 U.S. at 440. There is no disagreement between the parties on this point. This holding does not, however, resolve the meaning of the terms employed in the statute. Specifically, this Court has not determined what costs are properly taxed as costs for "exemplification."

Respondent's contention that *Crawford Fitting* resolves the present dispute rests on the assumption that the Federal Circuit is correct in its conclusion that exemplification is properly understood as nothing more than an "official transcript . . . authenticated or certified as a true copy." Black's Law Dictionary 593 (7th ed. 1999). Petitioner is contesting exactly that assumption. Respondent characterizes the "remaining" split regarding exemplification as one of "how comparable [demonstrative] evidence must be to the enumerated categories in section 1920 to be taxed." Br. in Opp'n at 2. This statement does not accurately characterize the issue before the Court, and indeed highlights the problem with which courts are faced. If *Crawford Fitting* is to be followed, then it is improper for the courts to base a decision of what is taxable as "exemplification" costs on whether such evidence is "comparable" to the enumerated categories of section 1920. Exemplification must be defined.

Further, the fact that some courts have not relied on *Crawford Fitting* in assessing costs for "exemplification" disproves what Respondent seeks to prove — namely, that *Crawford Fitting* resolved the issue of what costs are recoverable as costs for "exemplification." *Crawford Fitting*

did not define the term and does not provide guidance to the courts on this point. Nevertheless, Respondent has overstated its case. *Crawford Fitting* has been recognized by many courts as relevant to their determination of what costs are recoverable as exemplification costs. *See Arcadian Fertilizer*, 249 F.3d at 1296; *Cefalu*, 211 F.3d at 427-28; *Romero*, 883 F.2d at 1428; *Maxwell*, 862 F.2d at 770; *Goodwall Constr.*, 824 F. Supp. at 1061.

Crawford Fitting did not resolve the issue before the Court, and the issue left open by *Crawford Fitting* continues to be a subject of widespread dispute, both in cases that specifically mention *Crawford Fitting* and in those that do not.

4. The Federal Circuit's decision exacerbates the uncertainty among litigants and courts and an interpretation of the word exemplification by this Court will not be dicta.

Respondent's characterization of the Federal Circuit's opinion demonstrates how the Federal Circuit has exacerbated the uncertainty surrounding taxation of exemplification costs. Respondent notes that the Federal Circuit first determined that the trial court had no discretion to award costs for the video animation, reasoning that Congress could have included costs for "demonstrative evidence" in the statute if it had intended the statute to be read more broadly. Respondent then characterizes the Federal Circuit's consideration of the law of the Sixth Circuit as an "even if" argument. That is, *even if* such costs were allowable, the Sixth Circuit would not allow them. Br. in Opp'n at 11.

Thus, not only is there a conflict among the circuits regarding the scope of the term exemplification, there exists in patent cases the additional uncertainty of whether the

Federal Circuit will apply its interpretation of the statute, or follow that of the regional circuit it is bound to apply. District court judges from the various jurisdictions will have no means for determining whether the Federal Circuit will uphold or strike down taxation of exemplification costs according to the law of the circuit, and will have no assurance that the Federal Circuit will exercise care to interpret the law in accordance with the relevant law of the circuit.

Finally, Respondent spends a significant portion of his opposition brief outlining for the Court the sequence of events that led to the taxing of Petitioner's video animation model as costs, and arguing, without citation to authority, that the Court's ruling would be dicta because it is possible to affirm the Federal Circuit's opinion on other bases. Stated otherwise, Respondent seems to be arguing that because the Federal Circuit could have reversed the trial court on alternative grounds, this Court should affirm the Federal Circuit's reversal. This argument is unpersuasive given the Federal Circuit's complete reliance on statutory analysis.

Respondent asks this Court to affirm the Federal Circuit's reversal on bases never considered in the Federal Circuit's opinion. The only "alternative basis" even mentioned by the Federal Circuit was the fact that Petitioner did not originally classify its video model as an exemplification cost. Br. in Opp'n at 13. The fact that costs could have been denied on other grounds does not alter the fact that the Federal Circuit reversed the trial court's award of costs based on its interpretation of the word "exemplification," an interpretation that is disputed throughout the circuits.[5]

5. It appears that the Respondent is asking the Court to deny certiorari based upon a determination, not made by the Federal Circuit, that the trial court abused its discretion in awarding costs to Petitioner, rather than committed legal error. Issues such as the designation of the video model as "other costs" and the fact that the (Cont'd)

In short, even if the Federal Circuit could have reversed or affirmed the trial court on other bases, it did not. Therefore, this case falls within those classes of cases that qualify as "compelling" pursuant to Rule 10 of the Rules of the Supreme Court of the United States.

CONCLUSION

Respondent's Brief in Opposition mischaracterizes the case law and reframes the issue in an attempt to eliminate the very real split among the courts concerning what costs are recoverable as exemplification costs. The Federal Circuit's interpretation of the statute, however, is anything but a decided issue of law. Rather, there is no certainty in any circuit on this issue. For all of the above reasons, as well as those set forth in the Petition, Petitioner respectfully requests that certiorari be granted.

Respectfully submitted,

PAUL B. HUNT
Counsel of Record
DEBORAH POLLACK-MILGATE
BARNES & THORNBURG
Attorneys for Petitioner
11 South Meridian Street
Indianapolis, IN 46204
(317) 231-7453

(Cont'd)

exhibit was never used because Petitioner was granted summary judgment are issues related to procedural compliance with the statute and the determination of whether the video model was "necessarily obtained for use in the case," matters within the discretion of the trial court. 28 U.S.C. § 1920.